

### REMARKS

Reconsideration and allowance are respectfully requested in light of the above amendments and the following remarks.

Claims 1, 4, 11, 18, 19, and 22-26 have been amended. Support for the amendments is provided in the original claims and the specification on page 4, lines 30-31, and page 5, line 12, through page 6, line 8. The amendments were not presented earlier due to the unforeseeability of the remarks presented in the Final Rejection.

Claims 1, 2, 4, 8-16, 19, 20, 24-28, and 31 were rejected, under 35 USC §102(b), as being anticipated by Davis et al. (US 6,105,008). Claims 5-7, 17, 18, 21-23, 29, and 30 were rejected, under 35 USC §103(a), as being unpatentable over Davis. Claim 3 was rejected, under 35 USC §103(a), as being unpatentable over Davis in view of DiGiorgio et al. (US 6,385,729). To the extent the rejections may be deemed applicable to the amended claims, Applicants respectfully traverse.

Davis fails to disclose the feature now recited in claims 1 and 19 of a local client and a first server that mutually authenticate each other before a configuration change may be communicated between an HSM and a PSD. Applicants' remarks presented in their Amendment dated May 15, 2006, discussed how this feature distinguished independent claims 1 and 19 from

Davis. The Final Rejection seemingly acknowledges that Davis does not disclose this feature by: (1) remarking that the feature is not recited in the claims and (2) remaining silent as to how Davis might disclose the feature (see Final Rejection page 2, lines 4-12). Accordingly, now that the feature is expressly recited in independent claims 1 and 19, Applicants submit that Davis does not anticipate these claims. Therefore, the rejections applied to the dependent claims are obviated and allowance of claims 1 and 19 and all claims dependent therefrom is warranted.

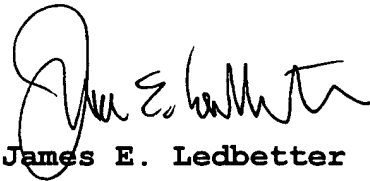
For completeness, Applicants incorporate by reference the remarks presented in their May 15, 2006, Amendment. Since the bases for the rejections of independent claims 1 and 19 in the Office Action dated January 17, 2006, and the Final Rejection are the same, Applicants previously presented remarks apply to the amended claims with even greater effect.

Moreover, Applicants submit that Davis does not suggest the feature recited in the independent claims of a communications pipe established between an HSM and a PSD that allows the HSM to communicate data or configuration changes to the PSD. Therefore, allowance of claims 1 and 19 and all claims dependent therefrom is warranted for this independent reason.

In view of the above, it is submitted that this application is in condition for allowance and a notice to that effect is respectfully solicited.

If any issues remain which may best be resolved through a telephone communication, the Examiner is requested to telephone the undersigned at the local Washington, D.C. telephone number listed below.

Respectfully submitted,



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